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Gov. Gary Locke Declares China Trade Mission Huge Success

Millions in Immediate Sales Reported for Washington Businesses, Farmers

OLYMPIA – Oct. 20, 2003 – Gov. Gary Locke today announced that his international trade mission to China was one of the most successful missions of his administration, reporting millions in immediate sales for Washington businesses and farmers. Locke led an 80-member delegation of business, agriculture and education leaders from around the state on the seven-day mission, which officially ended Saturday.

Accompanying the governor on the mission were Martha Choe, director of the state Department of Community, Trade and Economic Development (CTED), and Valoria Loveland, director of the Washington State Department of Agriculture (WSDA).

The purpose of the mission was to promote two-way trade, which is vital to Washington's economy, generating \$95 billion per year overall and making Washington the fourth largest exporting state in the U.S. The mission focused on agriculture and high technology.

"Our mission was a great success and I congratulate all the participants," Locke said. "We were able to further the trade of goods and services between Washington state and China while developing future business opportunities and building cultural relations. This effort reaffirms our state's leadership in global trade and opportunity."

Listed below are examples of successes from Gov. Locke's trade mission to China:

- Mercer Island-based Global Equipment and Technology Co. (GETCO) creates and expands existing manufacturing businesses for clients and partners throughout the world. GETCO and Huiton Huacheng Building Technologies (HHBT) in Shanghai signed a contract Friday that over the next two years will result in 20 Washington jobs with anticipated sales growing to \$9 million. HHBT develops energy saving products for office buildings, hotels, airports and convention centers.
- MulvannyG2 Architecture, based in Bellevue, signed contracts in all three cities. In Beijing, a contract valued at \$420,000 was signed with Dalian Wanheng Real Estate

Development Co. for master planning and schematic design of a mixed use development. In Guangzhou, a contract valued at \$500,000 was signed with Guangdong DongGuan Grand South Capital Hotel Investment Management Co., for master planning and schematic design of the planned 700-room five star hotel, retail mall and conference center. In Shanghai, a \$300,000 contract was signed with Shanghai Pudong Electric Power Co. to plan and design the power company's new headquarters, including offices, data and electric control and a dispatch center.

- On Tuesday, Gov. Locke helped open the newest Beijing Starbucks store. Following the ribbon-cutting and traditional lion dance, Locke served coffee to customers at the new store. There are now 35 Starbucks stores in Beijing, with 68 total stores in China, plus 37 in Hong Kong. There are more than 7,000 Starbucks stores worldwide.
- Green River Community College signed exchange agreements with three new Chinese partners. These cooperative education partnerships will benefit both China and Washington state. The programs include an associate degree program to be offered in Qingdao, an English (ESL) and Associate Degree program to be offered in Wuhan, and an Associate Degree program to be offered in Beijing.
- Web Press Corporation, a Kent, Wash., manufacturer of high quality printing presses signed a contract with the People's Daily, a leading Chinese publisher and printer, to purchase presses and assist Web Press with its marketing efforts in China. The value of this contract is estimated at \$11 million annually.
- Sharpe Mixers, a Seattle-based manufacturer/distributor of industrial mixers, participated in the trade mission to explore the feasibility of entering the Chinese market. "Our goals were to interview and explore the market, and search out potential distributors. We met those goals and we're leaving with solid leads," said Steve Drury, Sharpe's applications engineering director. "This trip was a business success for us and Gov. Locke's assistance was invaluable."
- Gov. Locke obtained a significant commitment from the deputy director general of the Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), that his agency will put a renewed emphasis on completing a Pest Risk Assessment for U.S. fresh potatoes as soon as possible. A Pest Risk Assessment identifies which specific pests and diseases need to be controlled or quarantined, and is therefore the critical first step towards achieving entry for Pacific Northwest fresh potatoes into China.
- Thousands of spectators, including the most influential fruit importers and wholesalers in China, were on hand at LiShui Market in Guangzhou, to hear Gov. Locke promote Washington apples. Although China is the largest producer of apples in the world, it is also the third largest importer of Washington apples, having purchased 1.7 million boxes in 2002-03 at a value of more than \$25 million. "The growers of Washington apples owe the Governor a big debt of gratitude. He tirelessly touted the superior eating quality of Washington apples to Chinese consumers," Tracy King, export director for the Washington Apple Commission, said.
- Holtzinger Fruit Company, a large apple and cherry grower/packer in Yakima, succeeded in increasing the number of direct relationships it has with Chinese importers. Initial

introductions achieved during the trade mission are expected to result in sales over the next several months.

- The Bar O Bar Ranch made great strides in introducing its oat seed and Timothy hay to the Chinese. “The trip was well-organized, and many doors were opened. I was fortunate to meet with many key decision makers. The state Agriculture Department was incredibly helpful, from the director on down,” Ben George, owner of the ranch, said.

“Our goal for this trade mission was to promote foreign investment in Washington and two-way trade. We wanted to help Washington companies strengthen existing relationships and assist in the establishment new ones,” said Choe. “Given these goals and the positive outcomes generated thus far, this mission was a tremendous success and will ultimately result in more jobs here at home.”

“The China mission allowed agriculture producers and processors who accompanied Governor Locke and me an opportunity to get their issues and questions before top Chinese officials,” Loveland said. “We received positive reactions and commitments to move forward on trade, as well as requests for additional Washington products. Everyone in the Agriculture delegation was pleased and appreciated the Governor's efforts on their behalf.”

China is the state’s second largest trading partner and offers exceptional opportunities for business development for Washington companies and for educational and cultural exchanges.

Washington state exported \$3.5 billion in products to China in 2002, making it Washington’s second largest export market (Japan is first). While the aerospace sector comprised the majority of the state’s exports in 2002 (approximately \$3.1 billion), exports by other industries such as paper/wood products, food and agriculture, electronics, industrial machinery, and medical/surgical equipment are strong and have considerable growth potential. A recent CTED study ranked China as the No. 1 future export market by Washington state companies.

Locke has made two trips to China since he became governor in 1997: one official trade mission in 1997, and a special trip with Boeing in December 2002 to help promote Boeing airplanes, celebrate the 30th anniversary of U.S.-China trade relations and promote Washington companies to assist in preparations for the 2008 Olympics in Beijing.

For more information about the China trade mission, including a complete list of delegates, visit <http://www.governor.wa.gov/asia/index.htm>.

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